

Income-tax—Companies doing P. W. D. contract work—payment of.

5. Mr. V. K. Krishnankutty (Anthikad).—Will the Government be pleased to give:—

(a) a list of the companies that are doing contract work in the P. W. D. in the State;

(b) how many of them are paying income-tax;

(c) a list of companies doing contract work mentioned in (a) who are exempted from the payment of income-tax?

Mr. K. P. Kannan Nayar (Secretary to Government).—

(a) A list containing the information is appended. (*Appendix I.*)

(b) Nos. 2, 3, 4 and 5 in the list.

(c) Messrs. Braithwaite and Co., Calcutta, have been specifically exempted from the payment of income-tax in the contract entered into with them for the supply and erection of iron materials for the Karuvannur bridge and the Karanchira bridge.

Mr. V. K. Krishnankutty (Anthikad).—Under which provision of the Income-tax Act was this exemption made?

Mr. K. P. Kannan Nayar (Secretary to Government).—This is a term of the contract itself.

Mr. V. K. Krishnankutty (Anthikad).—My question is under which provision of the Income-tax Act was this exemption made?

Mr. K. P. Kannan Nayar (Secretary to Government).—So far as the agreement itself is concerned, this is one of the terms.

Mr. K. T. Mathew (Kunnamkulam).—Can the agreement go against the provision of the Income-tax Act?

Mr. K. P. Kannan Nayar (Secretary to Government).—I do not think that there is anything illegal in it.

Mr. K. T. Mathew (Kunnamkulam).—Is there any provision in the Income tax Act to give exemptions to Companies working in the State?

Mr. K. M. Ibrahim (Cranganur).—What was the special reason to give exemption to this Company?

Mr. K. P. Kannan Nayar (Secretary to Government).—It was only on those terms that they were willing to take up the work.

Mr. K. M. Ibrahim (Cranganur).—There must be some special consideration.

Mr. K. P. Kannan Nayar (Secretary to Government).—Because they were considered to be the best men.

Mr. K. M. Ibrahim (Cranganur).—Did the Government make any enquiry whether any other Company was prepared to take up the work?

Mr. V. K. Aravindaksha Menon (Chief Engineer).—When we thought of constructing this bridge we got tenders from all the leading bridge constructors in India and the tender of Messrs. Braithwaite and Co. was the lowest, excluding income-tax. There was a saving of about 9 thousand rupees on a work of about Rs. 70,000/-

Mr. K. M. Ibrahim (Cranganur).—Including the income-tax what was the amount?

Mr. V. K. Aravindaksha Menon (Chief Engineer).—I must calculate.

Mr. V. K. Krishnankutty (Anthikad).—Are we to understand that no calculation was made before giving this exemption?

Mr. President.—It was found that their quotation was the lowest.

Mr. K. M. Ibrahim (Cranganur).—So no calculation was actually made before giving this contract?

Mr. V. K. Aravindaksha Menon (Chief Engineer).—No amount of income-tax can make a difference of 7 thousand rupees.

Mr. K. T. Mathew (Kunnamkulam).—Is there any provision in the Income-tax Regulation to give this exemption?

Mr. K. P. Kannan Nayar (Secretary to Government).—I would invite the Hon'ble Member's attention to section 59.

Mr. A. Eachara Menon (Chittur Rural).—Why did the Company demand such a stipulation?

Mr. V. K. Aravindaksha Menon (*Chief Engineer*).—The Company must be asked about it. They demanded that condition.

Mr. K. T. Mathew (*Kunnamkulam*).—Was there the publication of a notification as contemplated in section 59?

Mr. K. P. Kannan Nayar (*Secretary to Government*).—I want notice.

Mr. V. K. Krishnankutty (*Anthikad*).—Was there any order passed exempting this company from payment of income-tax?

Mr. K. P. Kannan Nayar (*Secretary to Government*).—Yes.

Mr. V. K. Krishnankutty (*Anthikad*).—May I know the date of the order?

Mr. K. P. Kannan Nayar (*Secretary to Government*).—Their agreement was accepted.

Mr. V. K. Krishnankutty (*Anthikad*).—Apart from that was there any specific order exempting the company from income-tax?

Mr. K. P. Kannan Nayar (*Secretary to Government*).—There must have been a specific order.

Mr. K. Kumaran Ezhuthassan (*Wadakkancheri*).—May I know whether the Government's answer to sub-division (b) is correct?

Mr. K. P. Kannan Nayar (*Secretary to Government*).—Yes, because so far as one work is concerned the company has to pay income-tax. So far as the Karuvannur and Karanchira works are concerned they were exempted from income-tax but so far as the Trikkur bridge is concerned they were working it by paying income-tax.

Mr. P. Kumaran Ezhuthassan (*Wadakkancheri*).—Was it one single tender that was called for all these works?

Mr. K. P. Kannan Nayar (*Secretary to Government*).—No. Separate tenders.

Mr. V. K. Krishnankutty (*Anthikad*).—May I know whether there is any other Company which has been given exemption from income-tax?

Mr. K. P. Kannan Nayar (*Secretary to Government*).—I want notice.

Mr. V. K. Krishnankutty (Anthikad).—Has the Dalal and Company been exempted from payment of Income-tax, the company to which we paid Rs. 30,000 as commission?

Mr. K. P. Kannan Nayar (Secretary to Government).—I want notice.

Mr. T. A. Ramachandra Ayyar (Nellayi).—What are the special reasons for not allowing the Trikkur Bridge Contractor exemption from Income-tax?

Mr. V. K. Aravindaksha Menon (Chief Engineer).—The terms offered for that were not as favourable as for the other.

Mr. V. K. Krishnankutty (Anthikad).—Is there any correspondence between the Dalal and Company and the Government for assessing them with Income-tax?

Mr. K. P. Kannan Nayar (Secretary to Government).—I want notice.

Mr. President.—Whom do you mean by 'We'. The Cochin Government is not aware of payment of any commission. Hon'ble Members should not make such irresponsible statements.

Mr. V. K. Krishnankutty (Anthikad).—For the collection of loans the company was paid about Rs. 30,000.

Mr. K. P. Kannan Nayar (Secretary to Government).—I want notice.

Questions—Budget Session, 1111 and Legislative Session, 1112—number received and answered.

6. Mr. P. Kumaran Ezhuthassan (Wadakkancheri).—Will the Government be pleased to state:—

(a) the number of questions received for the Budget Session, 1111;

(b) the number of questions received for the Legislative Session of 1112;

(c) the number of questions answered from (a) and (b)?

Mr. K. P. Kannan Nayar (Secretary to Government).—

(a) No. received 312, No. admitted 303.

(b) No. received 598, No. admitted 512.

(c) 232 and 375.

of the Panchayatdars, attend to the election of Presidents in Panchayats, Judges and Presidents in Group Courts and sometimes attend to the election of members also if the Tahsildars find it inconvenient. They have also to enquire into all complaints connected with the Panchayats.

- (5) Yes; at times, but for different purposes.
- (6) No.
- (7) The matter is under consideration.
- (8) No.

APPENDIX I.

(Question No. 5.)

1. The Burmah Engineering Co., Trichur.
2. A. J. Khaja Moideen Sahib and Co., Ernakulam.
3. Messrs. Braithwaite and Co., Calcutta.
4. The National Furniture Co., Ernakulam.
5. Messrs. T. Namberumal Chetty and Sons, Madras.
6. F. D'Costas, Ernakulam.
7. Milnie Day Construction Co., Trippunittura.
8. Standard Construction Co., Madras.

APPENDIX II.

(Question No. 13.)

List of Honorary Medical Men in the Department.

GENERAL HOSPITAL, ERNAKULAM.

1. Mr. M. I. Mathew, B.A. M. B. B. S., Honorary Assistant Surgeon.
2. „ P. B. Kurup, M. B. B. S., do
3. „ P. Madhava Menon, L. M. & S., do
4. „ V. Krishnankutty Menon, M. B. B. S., do
5. „ E. Appu Menon, L. M. P., Honorary Sub-Assistant Surgeon.
6. „ C. Narayana Menon, L. M. P., do
7. Miss K. Padmavathi Amma, L. M. P., do
8. Mrs. K. K. Lekshmi, L. M. P., do